UNIVERSITY OF SASKATCHEWAN

CROWN FOUNDATION

FINANCIAL STATEMENTS

For the Year Ended April 30, 2004

Provincial Auditor Saskatchewan

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SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the University of Saskatchewan Crown Foundation as at April 30, 2004 and the statements of operations and changes in net assets and cash flows for the year ended April 30, 2004. The University of Saskatchewan Crown Foundation's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the University of Saskatchewan Crown Foundation as at April 30, 2004 and the results of its operations and its cash flows for the year ended April 30, 2004 in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 4, 2004

Fred Wendel, CMA, CA
Provincial Auditor

Statement 1

UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30

	2004	2003
Assets		
Cash	$ 10,729	$ 23,136
Other assets	31,471	24,049
	$ 42,200	$ 47,185
Net assets (Statement 2)	$ 42,200	$ 47,185

On behalf of the Board of Trustees

Chairperson of the Board

Secretary of the Board

(See accompanying notes to the financial statements)

Statement 2

UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED APRIL 30

	2004	2003
Revenues		
Donations	$ 9,720	$ 31,419
Investment income	3,477	1,943
	13,197	33,362
Expenses		
Transfer to University of Saskatchewan	12,964	79,072
Insurance policy premiums (Note 3)	5,218	10,441
	18,182	89,513
Excess of expenses over revenues	(4,985)	(56,151)
Net assets, beginning of year	47,185	103,336
Net assets, end of year - to Statement 1	$ 42,200	$ 47,185

(See accompanying notes to the financial statements)

Statement 3

UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30

	2004	2003
Cash provided by (used in):		
Operating activity:		
Donations	$ 0	$ 13,661
Investment income	557	1,099
Transfer to University of Saskatchewan	(12,964)	(79,072)
Net decrease in cash position during the year	(12,407)	(64,312)
Cash, beginning of year	23,136	87,448
Cash, end of year	$ 10,729	$ 23,136

(See accompanying notes to the financial statements)

UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

April 30, 2004

1. Authority and Purpose

The University of Saskatchewan Crown Foundation (Foundation) is incorporated under *The Crown Foundation Act* pursuant to Order in Council 842/94 effective December 15, 1994. As an agent of the Crown in the right of the province, donations to the Foundation qualify under the *Income Tax Act* for a tax credit in the case of individuals and for a deduction in the case of corporations.

The purpose of the Foundation is to receive gifts of real and personal property, including money, and to provide grants and transfers of real and personal property to the University of Saskatchewan (University) for the purpose of supporting and promoting its education or research activities. The Foundation began operations on December 20, 1995.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant:

a) Donations and Pledges

Donations are recorded as revenue in the fiscal period in which they are received. Gifts in Kind are recorded at fair market value on the date of their donation.

Pledges made by donors for donations to be received in future years are not recorded in the financial statements.

b) Cash Surrender Value of Life Insurance Policies

Where there is a cash surrender value of an insurance policy owned by the Foundation that value is recognized in 'Other Assets'. The value is provided by the insurance company based on the terms and conditions of the corresponding insurance policy.

3. Life Insurance Premiums

Various individuals have named the Foundation as the owner and beneficiary of their life insurance policies. Those individuals pay the premiums on the life insurance policies directly to the insurance companies. The Foundation recognizes the premiums as both donation revenue and an expense in its Statement of Operations and Changes in Net Assets.

4. Related Party Transactions

These financial statements include transactions with related parties. The Foundation is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Foundation is related to non-Crown enterprises that the Government jointly controls or significantly influences.

The University of Saskatchewan is related to the Foundation. The Foundation has negotiated a service agreement with the University to provide certain administrative and management services to the Foundation without charge, therefore, no provision for such costs is reflected in these financial statements.

The Foundation has arranged with the University to invest the Foundation's cash as part of the University's short-term investment pool. Interest income of $557 (2003 - $1,099) was allocated by the University to the Foundation based on its level of participation in the investment pool.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

University of Saskatchewan Crown Foundation
Activity Report
for the fiscal year May 1, 2003 to April 30, 2004

1. **The Foundation's Board of Trustees met by mail ballot distributed June 11, 2003**
As a result of that ballot the Board of Trustees:
   - approved acceptance of the Foundation's unaudited financial statements for the period May 1, 2002 to April 30, 2003 conditional on there being no changes to the final version of the audited financial statements *(Final audited financial statements for May 1, 2002 to April 30, 2003 were distributed by mail to members of the Board on July 24, 2003)*;
   - approved the 2002/2003 Activity Report;
   - accepted and released a number of gifts *(see minutes – 2004 Agenda Item 1 – for detail)*;
   - discussed the status of Trustee appointments and the government's approval of Foundation bylaws *(Doug Clark confirmed by memo on July 24, 2003 that by Order in Council of December 19, 1995 government appointees to the Foundation are Tom Gauley and Donald Gass, and that University of Saskatchewan appointees are Sylvia Fedoruk, Colleen Schneider and Tony Whitworth.)*

2. **Gifts Received during this Reporting Period: $9,720**
   - Life insurance premium payments on policies for which the Foundation is the beneficiary were received from:
     a. M. Erickson: $6,000.00
     b. M. Erickson: $3,720.00

3. **Funds Released to the University during the Reporting Period: $12,963.68**
   - Anonymous Donor – $7,500 for research at the President's discretion
   - Estate of Gerhard Herzberg, MSC 1938, LLD 1953 - $5,463.68 to the Herzberg Fund

Submitted on behalf of the Board of Trustees:

Doug J. Clark, Secretary
University of Saskatchewan Crown Foundation

Date: June 30, 2004